

108TH CONGRESS
1ST SESSION

H. R. 3519

To address rising college tuition by strengthening the compact between the States, the Federal Government, and institutions of higher education to make college more affordable.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2003

Mr. TIERNEY (for himself, Ms. MCCOLLUM, Mr. GEORGE MILLER of California, Mr. KILDEE, Mr. OWENS, Mr. PAYNE, Mr. ANDREWS, Ms. WOOLSEY, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. KUCINICH, Mr. WU, Mr. HOLT, Mr. DAVIS of Illinois, Mr. CASE, Mr. GRIJALVA, Mr. VAN HOLLEN, Mr. RYAN of Ohio, Mr. BISHOP of New York, Mr. EMANUEL, and Ms. PELOSI) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To address rising college tuition by strengthening the compact between the States, the Federal Government, and institutions of higher education to make college more affordable.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “College Affordability and Accountability Act”.

6 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. References; effective date.
- Sec. 3. Findings.
- Sec. 4. State commitment to affordable college education.
- Sec. 5. Cost containment strategies.
- Sec. 6. Pell Plus.
- Sec. 7. Cooperative education rewards for institutions that restrain tuition increases.
- Sec. 8. Study.
- Sec. 9. Articulation agreement demonstration program.
- Sec. 10. Advisory Committee on Student Financial Assistance.

1 SEC. 2. REFERENCES; EFFECTIVE DATE.

2 (a) REFERENCE.—Whenever in this Act an amend-
 3 ment or repeal is expressed in terms of an amendment
 4 to, or repeal of, a section or other provision, the reference
 5 shall be considered to be made to a section or other provi-
 6 sion of the Higher Education Act of 1965 (20 U.S.C. 1001
 7 et seq.).

8 (b) EFFECTIVE DATE.—Except as otherwise provided
 9 in this Act, the amendments made by this Act shall take
 10 effect on the date of enactment of this Act.

11 SEC. 3. FINDINGS.

12 The Congress finds the following:

13 (1) A quality college degree is the cornerstone
 14 of the American dream, opening the door to job op-
 15 portunity and professional fulfillment, while increas-
 16 ing earning power by more than a million dollars
 17 over a lifetime; therefore, States and the Federal
 18 Government should do more to make it affordable
 19 and accessible to all qualified students because—

1 (A) recent shifts in the economy have in-
2 creased the demand for college-educated work-
3 ers and increased the wage gap between college-
4 educated workers and those without a degree
5 (workers with a bachelor's degree earn 75 per-
6 cent more than workers with just a high school
7 diploma);

8 (B) jobs requiring some postsecondary
9 education are expected to account for about 42
10 percent of total job growth from 2000 through
11 2010;

12 (C) low-income, college-qualified high
13 school graduates have an annual unmet need
14 for student financial assistance of \$3,800 in
15 college expenses, expenses not covered by
16 grants, loans, work, or family savings;

17 (D) 46 percent of all students who work in
18 addition to being full-time students report 25
19 hours or more a week of employment; and

20 (E) 50 percent of those employed more
21 than 25 hours a week report that working hurts
22 their grades and retention in college, and stu-
23 dents who work more than 35 hours a week are
24 considerably less likely to complete a year of

1 college than those who work less than 15 hours
2 a week.

3 (2) State spending on higher education has de-
4 creased dramatically over time, and as a result, stu-
5 dents and their families, particularly working class
6 and middle class families, have to pay a larger por-
7 tion of college costs:

8 (A) In 2003–2004, tuition and fees in-
9 creased at colleges and universities across the
10 country. Tuition increased by 14.1 percent at
11 four-year public institutions, 13.8 percent at
12 two-year public institutions, and 6.0 percent at
13 four-year private institutions.

14 (B) While 70 percent of all students pay
15 \$8,000 or less in tuition each year, low-income
16 students continue to fall far behind in accessing
17 a college education.

18 (C) The ratio of a low-income family's
19 earnings used to pay for tuition increased to 71
20 percent, while this ratio held steady for middle-
21 income families at 17 percent and 6 percent for
22 those with the highest incomes.

23 (3) Federal student aid is too focused on loans
24 instead of grant aid because—

(A) although approximately \$55,000,000,000 is made available annually in direct and indirect Federal aid to postsecondary education students and their families, in 2002, 60 percent of such Federal student aid was in the form of loans while only 40 percent was in the form of grants, a reversal of the distribution 20 years ago;

(B) the purchasing power of the maximum Pell Grant has declined, as Pell Grants now cover only about 40 percent of average fixed costs at 4-year public colleges, about half of what they covered 25 years ago; and

(C) average student indebtedness is \$17,000, and reaches over \$120,000 for professional school graduates.

SEC. 4. STATE COMMITMENT TO AFFORDABLE COLLEGE EDUCATION.

Title I is amended by inserting after section 131 (20 U.S.C. 1015) the following new section:

“SEC. 132. STATE COMMITMENT TO AFFORDABLE COLLEGE EDUCATION.

“(a) MAINTENANCE OF EFFORT REQUIRED.—No State shall reduce the total amount provided by the State for public institutions of higher education in such State

1 for any academic year beginning on or after July 1, 2003,
 2 to an amount which is less than the average amount pro-
 3 vided by such State to such institutions of higher edu-
 4 cation during the academic years between July 1, 1998,
 5 and July 1, 2003.

6 “(b) WITHHOLDING OF ALL EDUCATION ADMINIS-
 7 TRATIVE FUNDS FOR VIOLATIONS.—Notwithstanding any
 8 other provision of law, the Secretary of Education shall
 9 withhold from any State that violates subsection (a) any
 10 amount that would otherwise be available to the State for
 11 administrative expenses and costs under any Federal edu-
 12 cation program until such State has corrected such viola-
 13 tion.”.

14 **SEC. 5. COST CONTAINMENT STRATEGIES.**

15 Title I is further amended by inserting after section
 16 132 (as added by section 4) the following new section:

17 **“SEC. 133. COST CONTAINMENT STRATEGIES.**

18 “(a) REQUIREMENTS.—Each institution of higher
 19 education shall in accordance with the requirements of this
 20 section engage in, and report upon, cost containment
 21 strategies. Such strategies may include (but are not lim-
 22 ited to) the following activities:

23 “(1) bulk purchasing;

24 “(2) joint faculty appointments;

25 “(3) streamlining administration;

1 “(4) energy conservation and savings;

2 “(5) technological innovations; and

3 “(6) joint degree offerings.

4 “(b) FIVE-YEAR PLANS.—Within 2 years after the
5 enactment of the Act, each institution of higher education
6 shall submit a 5-year plan on their cost containment strat-
7 egies and any progress made to date to the Secretary of
8 Education.

9 “(c) RESEARCH INTO COST CONTAINMENT METH-
10 ODS.—

11 “(1) RESEARCH AUTHORIZED.—From the
12 funds appropriated under paragraph (2), the Sec-
13 retary is authorized—

14 “(A) to conduct or provide for the conduct
15 of research to identify methods of cost contain-
16 ment currently utilized by institutions of higher
17 education and systems of such institutions, and
18 research into other possible methods of cost
19 containment;

20 “(B) to disseminate—

21 “(i) the information obtained by such
22 research to such institutions and systems;
23 and

24 “(ii) other research that has identified
25 successful methods of cost containment;

1 “(C) to publicly recognize institutions of
 2 higher education that are doing an effective job
 3 at cost containment; and

4 “(D) to work together with such institu-
 5 tions and systems to implement these methods.

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—

7 There are authorized to be appropriated to carry out
 8 this subsection \$1,000,000 for fiscal year 2004 and
 9 such sums as may be necessary for each of the 4
 10 succeeding fiscal years.

11 “(d) CONSUMER INFORMATION.—

12 “(1) ANNUAL REPORT REQUIRED.—

13 “(A) CONTENTS OF REPORT.—The Sec-
 14 retary shall annually prepare and publish a re-
 15 port on college affordability in America. The
 16 college affordability report shall provide, at a
 17 minimum, comprehensive information on—

18 “(i) the sticker price, total price of at-
 19 tendance, net tuition price, and net access
 20 price for every institution of higher edu-
 21 cation that participates in the Federal stu-
 22 dent aid programs under title IV of this
 23 Act;

24 “(ii) the percentage change in the list-
 25 ed sticker price, total price of attendance,

1 net tuition price, and net access price over
2 a 3-, 5-, and 10-year time period for each
3 such institution; and

4 “(iii) the level of Federal and State
5 support for higher education per capita
6 and per pupil.

7 “(B) ADVISORY GROUP.—To ensure that
8 the annual college affordability in America re-
9 port provides consumer-friendly information,
10 the Secretary shall convene an advisory group
11 of students, parents, and college officials to
12 help determine the information that shall be in-
13 cluded in the report.

14 “(2) DATA DISSEMINATION.—The Secretary
15 shall make publicly available the data collected pur-
16 suant to this section, including an institution’s net
17 price tuition index as calculated in accordance with
18 subsection (e). Such data shall be made available in
19 a manner that permits the review and comparison of
20 data submissions of individual institutions of higher
21 education. Such data shall be presented in a form
22 that is easily accessible and understandable and al-
23 lows parents and students to make informed deci-
24 sions based on the average prices for full-time un-
25 dergraduate students and the institution’s rate of in-

crease in the sticker price, total price of attendance,
net tuition price, and net access price.

“(3) WEBSITE ENHANCEMENT.—

“(A) WEBSITE INFORMATION.—In order to
further enhance public knowledge and understanding of college affordability, the Secretary shall modify the college opportunities on line (COOL) web site. The goal of such changes shall be to make the website the single best source of information about applying to and paying for a postsecondary education. Such changes shall make the website more user friendly and facilitate the comparison of multiple institutions at the same time. Such website shall provide detailed tuition and student aid data for each institution (including data from the annual college affordability in America report). As part of improving the website, the Secretary shall establish an advisory board of students and parents to guide the redesign. The college price calculator required by paragraph (4) shall be included on the COOL website.

“(B) AVAILABILITY IN OTHER FORM.—In addition, the Secretary shall publish all of the institutional information found on the COOL

1 website, minus the college price calculator, and
2 instruct all local educational agencies to notify
3 all their secondary schools of the publication of
4 the COOL web site, both on-line and in-print,
5 and of the steps necessary to procure such in-
6 formation both on-line and in-print.

7 “(4) COLLEGE PRICE CALCULATOR.—

8 “(A) ESTABLISHMENT.—The Secretary
9 shall establish a system for reporting to pro-
10 spective students and families on the net tuition
11 price of institutions of higher education. Using
12 the most recent data available, the Secretary
13 shall make available the amount of aid typically
14 granted for students based on family income
15 and college attended. Such information shall be
16 made available in the form of a web site price
17 calculator that permits students to be able to
18 enter an institution of higher education and
19 their family income and be presented the sticker
20 price, net tuition price, and net access price for
21 students in their income bracket in order to de-
22 termine the approximate cost of attending such
23 a school. The calculator shall include a clear
24 disclaimer that financial aid decisions are made
25 on a case-by-case basis and that the included

1 calculations are based on previous years' data
2 and can therefore serve only as general guide-
3 lines for the financial aid that a student may
4 expect to receive.

5 “(B) INFORMATION DISTRIBUTION BY IN-
6 STITUTIONS.—Each institution of higher edu-
7 cation shall make available its sticker price,
8 total price of attendance, net tuition price, and
9 net access price and list examples of what fami-
10 lies in each of the quartile income brackets
11 might be expected to pay in the net tuition
12 price for the most recent academic year. This
13 information shall be provided in written form
14 and distributed to all students and applicants
15 and made widely available to the public.

16 “(e) NET TUITION PRICE INDEX.—

17 “(1) IN GENERAL.—The Secretary shall, on the
18 basis of the data submitted under subsection (a),
19 calculate a net tuition price index for each institu-
20 tion of higher education submitting such data and
21 shall make the index available in accordance with
22 subsection (b) as soon as operationally possible on
23 the Department's college opportunity on line
24 (COOL) website.

1 “(2) CALCULATION OF INDEX.—The net tuition
2 price index shall be equal to the percentage increase
3 in the net tuition price charged for a first-time, full-
4 time, full-year undergraduate student between a pre-
5 ceding academic year and the most recent academic
6 year for which satisfactory data are available.

7 “(f) DEFINITIONS.—For the purposes of this section:

8 “(1) NET ACCESS PRICE.—The term ‘net access
9 price’ means the average total price of attendance
10 for full-time undergraduate students, minus the av-
11 erage grants, loans, and work-study provided to such
12 students, for any academic year.

13 “(2) NET TUITION PRICE.— The term ‘net tui-
14 tion price’ means the average tuition and fees
15 charged to full-time undergraduate students, minus
16 the average grants provided to such students, for
17 any academic year.

18 “(3) STICKER PRICE.—The term ‘sticker price’
19 means the average tuition and fees charged to full-
20 time undergraduate students by an institution of
21 higher education for any academic year.

22 “(4) TOTAL PRICE OF ATTENDANCE.—The
23 term ‘total price of attendance’ means the average
24 tuition and fees charged to full-time undergraduate
25 students, as well as the average of the other ex-

1 penses of such students related to obtaining a higher
2 education, including housing (room and board if the
3 student lives on campus, or rent or related housing
4 costs if the student does not live on campus), books,
5 transportation, for any academic year.

6 “(5) TUITION.—The term ‘tuition’ means the
7 average price of or payment for actual instruction of
8 full-time undergraduate students at an institution of
9 higher education, for any academic year.”.

10 **SEC. 6. PELL PLUS.**

11 Subpart 1 of part A of title IV is amended by insert-
12 ing after section 401 (20 U.S.C. 1070a) the following new
13 section:

14 **“SEC. 401A. INCENTIVES AND REWARDS: PELL PLUS.**

15 “(a) REWARDS FOR LOW TUITION.—For any institu-
16 tion of higher education that, for academic year 2003–
17 2004 or any succeeding academic year, such institution’s
18 annual net tuition price increase (expressed as a percent-
19 age) for the most recent academic year for which satisfac-
20 tory data is available is equal to or less than the percent-
21 age change in the higher education price index for such
22 academic year, the Secretary shall, notwithstanding any
23 other provision of the law, provide such institution an
24 amount sufficient to provide a 25 percent increase under
25 subpart 1 of part A of title IV to each Pell Grant recipient

1 attending such institution for the next award year begin-
2 ning after the date of such determination. Each such insti-
3 tution shall distribute any amounts received under this
4 subsection among such Pell Grant recipients by increasing
5 the amount of their Pell Grant awards by 25 percent.

6 “(b) REWARDS FOR GUARANTEED TUITION.—

7 “(1) BONUS.—For each institution of higher
8 education that the Secretary of Education deter-
9 mines complies with the requirements of paragraph
10 (2) or paragraph (3) of this subsection, the Sec-
11 retary shall, notwithstanding any other provision of
12 the law, provide such institution an amount suffi-
13 cient to provide a 10 percent increase under subpart
14 1 of part A of title IV to each Pell Grant recipient
15 attending such institution for the next award year
16 beginning after the date of such determination. Each
17 such institution shall distribute any amounts re-
18 ceived under this subsection among such Pell Grant
19 recipients by increasing the amount of their Pell
20 Grant awards by 10 percent.

21 “(2) 4-YEAR INSTITUTIONS.—An institution of
22 higher education that provides a program of instruc-
23 tion for which it awards a bachelor’s degree complies
24 with the requirements of this paragraph if such in-
25 stitution guarantees that for any academic year be-

1 ginning on or after July 1, 2003, and for each of the
2 4 succeeding continuous academic years, the net tui-
3 tion price charged to an undergraduate student will
4 not exceed—

5 “(A) the amount that the student was
6 charged for an academic year at the time he or
7 she first enrolled in the institution of higher
8 education, plus

9 “(B) the product of the percentage in-
10 crease in the higher education price index for
11 the prior academic year, or the most recent
12 prior academic year for which data is available,
13 multiplied by the amount determined under
14 subparagraph (A).

15 “(3) LESS-THAN 4-YEAR INSTITUTIONS.—An
16 institution of higher education that does not provide
17 a program of instruction for which it awards a bach-
18 elor’s degree complies with the requirements of this
19 paragraph if such institution guarantees that for
20 any academic year (or the equivalent) beginning on
21 or after July 1, 2003, and for each of the 1.5 suc-
22 ceeding continuous academic years, the net tuition
23 price charged to an undergraduate student will not
24 exceed—

1 “(A) the amount that the student was
2 charged for an academic year at the time he or
3 she first enrolled in the institution of higher
4 education, plus

5 “(B) the product of the percentage in-
6 crease in the higher education price index for
7 the prior academic year, or the most recent
8 prior academic year for which data is available,
9 multiplied by the amount determined under
10 subparagraph (A).

11 “(c) MAINTAINING AFFORDABLE TUITION.—For any
12 institution of higher education whose increase in the an-
13 nual net tuition price (expressed as a percentage), for the
14 most recent academic year for which satisfactory data is
15 available, is greater than the percentage increase in the
16 higher education price index for such academic year, the
17 Secretary shall require such institution to submit to the
18 Secretary the following information, within 6 months of
19 such determination:

20 “(1) a detailed report on the exact causes for
21 the net tuition price increase that outlines revenues
22 and expenditures; and

23 “(2) cost containment strategies to lower net
24 tuition prices.

25 “(d) DEFINITIONS.—

1 “(1) NET TUITION PRICE.—The term ‘net tui-
 2 tion price’ has the same meaning as provided in sec-
 3 tion 133(f).

4 “(2) HIGHER EDUCATION PRICE INDEX.—The
 5 term ‘higher education price index’ means a statis-
 6 tical measure of change over time in the prices of a
 7 fixed market basket of goods and services purchased
 8 by colleges and universities through current fund
 9 educational and general expenditures (excluding ex-
 10 penditures for research), as developed by the Bureau
 11 of Labor Statistics pursuant to section 131(c)(4).”.

12 **SEC. 7. COOPERATIVE EDUCATION REWARDS FOR INSTITU-**
 13 **TIONS THAT RESTRAIN TUITION INCREASES.**

14 The Higher Education Act of 1965 (20 U.S.C. 1101
 15 et seq.) is amended by adding at the end the following
 16 title:

17 **“TITLE VIII—COOPERATIVE EDU-**
 18 **CATION REWARDS FOR INSTI-**
 19 **TUTIONS THAT RESTRAIN**
 20 **TUITION INCREASES**

21 **“SEC. 801. STATEMENT OF PURPOSE; ELIGIBLE INSTITU-**
 22 **TIONS.**

23 “(a) PURPOSE.—It is the purpose of this title to
 24 award grants to institutions of higher education or com-
 25 binations of such institutions that have restrained their

1 net tuition price increases in order to encourage such insti-
2 tutions to develop and make available to as many of their
3 students as possible work experience that will aid such stu-
4 dents in future careers and will enable such students to
5 support themselves financially while in school.

6 “(b) ELIGIBLE INSTITUTIONS.—An institution of
7 higher education shall be eligible to apply for a grant
8 under this title if such institution, and a combination of
9 such institutions shall be eligible to apply for such a grant
10 if each institution in such combination—

11 “(1) for the academic year for which the insti-
12 tution is applying, keeps such institution’s annual
13 net tuition price increase (expressed as a percent-
14 age) for the most recent academic year for which
15 satisfactory data is available equal to or less than
16 the percentage change in the higher education price
17 index for such year; and

18 “(2) for such academic year, provides the guar-
19 antee required by paragraph (2) or (3) of section
20 401A(b).

21 “(c) DEFINITIONS.—

22 “(1) COOPERATIVE EDUCATION.—For the pur-
23 pose of this title the term ‘cooperative education’
24 means the provision of alternating or parallel periods
25 of academic study and public or private employment

1 in order to give students work experiences related to
 2 their academic or occupational objectives and an op-
 3 portunity to earn the funds necessary for continuing
 4 and completing their education.

5 “(2) HIGHER EDUCATION PRICE INDEX AND
 6 NET TUITION PRICE.—The terms ‘higher education
 7 price index’ and ‘net tuition price’ have the same
 8 meaning as provided in section 133(f).

9 **“SEC. 802. AUTHORIZATION OF APPROPRIATIONS; RES-**
 10 **ERVATIONS.**

11 “(a) APPROPRIATIONS AUTHORIZED.—There are au-
 12 thorized to be appropriated to carry out this title
 13 \$30,000,000 for fiscal year 2004 and such sums as may
 14 be necessary for each of the 5 succeeding fiscal years.

15 “(b) RESERVATIONS.—Of the amount appropriated
 16 in each fiscal year—

17 “(1) not less than 50 percent shall be available
 18 for carrying out grants to institutions of higher edu-
 19 cation and combinations of such institutions de-
 20 scribed in section 803(a)(1)(A) for cooperative edu-
 21 cation under section 803;

22 “(2) not less than 25 percent shall be available
 23 for carrying out grants to institutions of higher edu-
 24 cation described in section 803(a)(1)(B) for coopera-
 25 tive education under section 803;

1 “(3) not to exceed 11 percent shall be available
2 for demonstration projects under paragraph (1) of
3 section 804(a);

4 “(4) not to exceed 11 percent shall be available
5 for training and resource centers under paragraph
6 (2) of section 804(a); and

7 “(5) not to exceed 3 percent shall be available
8 for research under paragraph (3) of section 804(a).

9 “(c) AVAILABILITY OF APPROPRIATIONS.—Appro-
10 priations under this title shall not be available for the pay-
11 ment of compensation of students for employment by em-
12 ployers under arrangements pursuant to this title.

13 **“SEC. 803. GRANTS FOR COOPERATIVE EDUCATION.**

14 “(a) GRANTS AUTHORIZED.—

15 “(1) IN GENERAL.—The Secretary is author-
16 ized—

17 “(A) from the amount available under sec-
18 tion 802(b)(1) in each fiscal year and in accord-
19 ance with the provisions of this title, to make
20 grants to institutions of higher education or
21 combinations of such institutions that have not
22 received a grant under this paragraph in the
23 10-year period preceding the date for which a
24 grant under this section is requested to pay the
25 Federal share of the cost of planning, estab-

1 lishing, expanding, or carrying out programs of
2 cooperative education by such institutions or
3 combinations of institutions; and

4 “(B) from the amount available under sec-
5 tion 802(b)(2) in each fiscal year and in accord-
6 ance with the provisions of this title, to make
7 grants to institutions of higher education that
8 are operating an existing cooperative education
9 program as determined by the Secretary to pay
10 the cost of planning, establishing, expanding, or
11 carrying out programs of cooperative education
12 by such institutions.

13 “(2) PROGRAM REQUIREMENT.—Cooperative
14 education programs assisted under this section shall
15 provide alternating or parallel periods of academic
16 study and of public or private employment, giving
17 students work experience related to their academic
18 or occupational objectives and the opportunity to
19 earn the funds necessary for continuing and com-
20 pleting their education.

21 “(3) AMOUNT OF GRANTS.—

22 “(A) The amount of each grant awarded
23 pursuant to paragraph (1)(A) to any institution
24 of higher education or combination of such in-

stitutions in any fiscal year shall not exceed \$500,000.

“(B)(i) Except as provided in clauses (ii) and (iii), the Secretary shall award grants in each fiscal year to each institution of higher education described in paragraph (1)(B) that has an application approved under subsection (b) in an amount which bears the same ratio to the amount reserved pursuant to section 802(b)(2) for such fiscal year as the number of unduplicated students placed in cooperative education jobs during the preceding fiscal year (other than cooperative education jobs under section 804 and as determined by the Secretary) by such institution of higher education bears to the total number of all such students placed in such jobs during the preceding fiscal year by all such institutions.

“(ii) No institution of higher education shall receive a grant pursuant to paragraph (1)(B) in any fiscal year in an amount which exceeds 25 percent of such institution’s cooperative education program’s personnel and operating budget for the preceding fiscal year.

1 “(iii) The minimum annual grant amount
2 which an institution of higher education is eligi-
3 ble to receive under paragraph (1)(B) is \$1,000
4 and the maximum annual grant amount is
5 \$75,000.

6 “(4) LIMITATION.—The Secretary shall not
7 award grants pursuant to paragraphs (1)(A) and
8 (1)(B) to the same institution of higher education or
9 combination of such institution in any one fiscal
10 year.

11 “(5) USES.—Grants under paragraph (1)(B)
12 shall be used exclusively—

13 “(A) to expand the quality and participa-
14 tion of a cooperative education program;

15 “(B) for outreach in new curricular areas;
16 and

17 “(C) for outreach to potential participants
18 including underrepresented and nontraditional
19 populations.

20 “(b) APPLICATIONS.—Each institution of higher edu-
21 cation or combination of such institutions desiring to re-
22 ceive a grant under this section shall submit an application
23 to the Secretary at such time and in such manner as the
24 Secretary shall prescribe. Each such application shall—

1 “(1) set forth the program or activities for
2 which a grant is authorized under this section;

3 “(2) specify each portion of such program or
4 activities which will be performed by a nonprofit or-
5 ganization or institution other than the applicant
6 and the compensation to be paid for such perform-
7 ance;

8 “(3) provide that the applicant will expend dur-
9 ing such fiscal year for the purpose of such program
10 or activities not less than the amount expended for
11 such purpose during the previous fiscal year;

12 “(4) describe the plans which the applicant will
13 carry out to assure, and contain a formal statement
14 of the institution’s commitment which assures, that
15 the applicant will continue the cooperative education
16 program beyond the 5-year period of Federal assist-
17 ance described in subsection (c)(1) at a level which
18 is not less than the total amount expended for such
19 program during the first year such program was as-
20 sisted under this section;

21 “(5) provide that, in the case of an institution
22 of higher education that provides a 2-year program
23 which is acceptable for full credit toward a bach-
24 elor’s degree, the cooperative education program will
25 be available to students who are certificate or asso-

1 ciate degree candidates and who carry at least one-
2 half the normal full-time academic workload;

3 “(6) provide that the applicant will—

4 “(A) make such reports as may be essen-
5 tial to ensure that the applicant is complying
6 with the provisions of this section, including the
7 reports for the second and each succeeding fis-
8 cal year for which the applicant receives a grant
9 with respect to the impact of the cooperative
10 education program in the previous fiscal year,
11 including—

12 “(i) the number of unduplicated stu-
13 dent applicants in the cooperative edu-
14 cation program;

15 “(ii) the number of unduplicated stu-
16 dents placed in cooperative education jobs;

17 “(iii) the number of employers who
18 have hired cooperative education students;

19 “(iv) the income for students derived
20 from working in cooperative education
21 jobs; and

22 “(v) the increase or decrease in the
23 number of unduplicated students placed in
24 cooperative education jobs in each fiscal

1 year compared to the previous fiscal year;

2 and

3 “(B) keep such records as are essential to
4 ensure that the applicant is complying with the
5 provisions of this title, including the notation of
6 cooperative education employment on the stu-
7 dent’s transcript;

8 “(7) describe the extent to which programs in
9 the academic discipline for which the application is
10 made have had a favorable reception by public and
11 private sector employers;

12 “(8) describe the extent to which the institution
13 is committed to extending cooperative education on
14 an institution-wide basis for all students who can
15 benefit;

16 “(9) describe the plans that the applicant will
17 carry out to evaluate the applicant’s cooperative edu-
18 cation program at the end of the grant period;

19 “(10) provide for such fiscal control and fund
20 accounting procedures as may be necessary to assure
21 proper disbursement of, and accounting for, Federal
22 funds paid to the applicant under this title;

23 “(11) demonstrate a commitment to serving all
24 underserved populations; and

1 “(12) include such other information as is es-
2 sential to carry out the provisions of this title.

3 “(c) DURATION OF GRANTS; FEDERAL SHARE.—

4 “(1) DURATION OF GRANTS.—No individual in-
5 stitution of higher education may receive, individ-
6 ually or as a participant in a combination of such in-
7 stitutions—

8 “(A) a grant pursuant to subsection
9 (a)(1)(A) for more than 5 fiscal years; or

10 “(B) a grant pursuant to subsection
11 (a)(1)(B) for more than 5 fiscal years.

12 “(2) FEDERAL SHARE.—The Federal share of a
13 grant under section 803(a)(1)(A) may not exceed—

14 “(A) 85 percent of the cost of carrying out
15 the program or activities described in the appli-
16 cation in the first year the applicant receives a
17 grant under this section;

18 “(B) 70 percent of such cost in the second
19 such year;

20 “(C) 55 percent of such cost in the third
21 such year;

22 “(D) 40 percent of such cost in the fourth
23 such year; and

24 “(E) 25 percent of such cost in the fifth
25 such year.

1 “(3) SPECIAL RULE.—Any provision of law to
2 the contrary notwithstanding, the Secretary shall not
3 waive the provisions of this subsection.

4 “(d) MAINTENANCE OF EFFORT.—If the Secretary
5 determines that a recipient of funds under this section has
6 failed to maintain the fiscal effort described in subsection
7 (b)(3), then the Secretary may elect not to make grant
8 payments under this section to such recipient.

9 “(e) FACTORS FOR SPECIAL CONSIDERATION OF AP-
10 PLICATIONS.—

11 “(1) IN GENERAL.—In approving applications
12 under this section, the Secretary shall give special
13 consideration to applications from institutions of
14 higher education or combinations of such institu-
15 tions for programs which show the greatest promise
16 of success because of—

17 “(A) the extent to which programs in the
18 academic discipline with respect to which the
19 application is made have had a favorable recep-
20 tion by public and private sector employers;

21 “(B) the strength of the commitment of
22 the institution of higher education or combina-
23 tion of such institutions to cooperative edu-
24 cation as demonstrated by the plans and for-
25 malized institutional commitment statement

1 which such institution or combination has made
2 to continue the program after the termination
3 of Federal financial assistance,

4 “(C) the extent to which the institution or
5 combination is committed to extending coopera-
6 tive education for all students who can benefit,
7 and

8 “(D) such other factors as are consistent
9 with the purposes of this section.

10 “(2) ADDITIONAL SPECIAL CONSIDERATION.—

11 The Secretary shall also give special consideration to
12 applications from institutions of higher education or
13 combinations of such institutions which demonstrate
14 a commitment to serving all underserved popu-
15 lations.

16 **“SEC. 804. DEMONSTRATION AND INNOVATION PROJECTS;**
17 **TRAINING AND RESOURCE CENTERS; AND RE-**
18 **SEARCH.**

19 “(a) AUTHORIZATION.—The Secretary is authorized,
20 in accordance with the provisions of this section, to make
21 grants and enter into contracts for—

22 “(1) the conduct of demonstration projects de-
23 signed to demonstrate or determine the feasibility or
24 value of innovative methods of cooperative education

1 from the amounts available in each fiscal year under
2 section 802(b)(3);

3 “(2) the conduct of training and resource cen-
4 ters designed to—

5 “(A) train personnel in the field of cooper-
6 ative education;

7 “(B) improve materials used in cooperative
8 education programs if such improvement is con-
9 ducted in conjunction with other activities de-
10 scribed in this paragraph;

11 “(C) furnish technical assistance to institu-
12 tions of higher education to increase the poten-
13 tial of the institution to continue to conduct a
14 cooperative education program without Federal
15 assistance;

16 “(D) encourage model cooperative edu-
17 cation programs which furnish education and
18 training in occupations in which there is a na-
19 tional need;

20 “(E) support partnerships under which an
21 institution carrying out a comprehensive cooper-
22 ative education program joins with one or more
23 institutions of higher education in order to (i)
24 assist the institution other than the comprehen-
25 sive cooperative education institution to develop

1 and expand an existing program of cooperative
2 education, or (ii) establish and improve or ex-
3 pand comprehensive cooperative education pro-
4 grams; and

5 “(F) encourage model cooperative edu-
6 cation programs in the fields of science and
7 mathematics for women and minorities who are
8 underrepresented in such fields
9 from the amounts available in each fiscal year under
10 section 802(b)(4); and

11 “(3) the conduct of research relating to cooper-
12 ative education, from the amounts available in each
13 fiscal year under section 802(b)(5).

14 “(b) ADMINISTRATIVE PROVISION.—

15 “(1) IN GENERAL.—To carry out this section,
16 the Secretary may—

17 “(A) make grants to or contracts with in-
18 stitutions of higher education, or combinations
19 of such institutions; and

20 “(B) make grants to or contracts with
21 other public or private nonprofit agencies or or-
22 ganizations, whenever such grants or contracts
23 will make an especially significant contribution
24 to attaining the objectives of this section.

25 “(2) LIMITATION.—

1 “(A) The Secretary may not use more than
 2 3 percent of the amount appropriated to carry
 3 out this section in each fiscal year to enter into
 4 contracts described in paragraph (1)(A).

5 “(B) The Secretary may use not more
 6 than 3 percent of the amount appropriated to
 7 carry out this section in each fiscal year to
 8 enter into contracts described in paragraph
 9 (1)(B).

10 “(c) SUPPLEMENT NOT SUPPLANT.—A recipient of
 11 a grant or contract under this section may use the funds
 12 provided only so as to supplement and, to the extent pos-
 13 sible, increase the level of funds that would, in the absence
 14 of such funds, be made available from non-Federal sources
 15 to carry out the activities supported by such grant or con-
 16 tract, and in no case to supplant such funds from non-
 17 Federal sources.”.

18 **SEC. 8. STUDY.**

19 (a) IN GENERAL.—The Secretary of Education shall
 20 commission the National Research Council to conduct a
 21 national study to determine the viability of developing and
 22 implementing standards in environmental, health, and
 23 safety areas to provide for differential regulation of indus-
 24 trial laboratories and facilities, on the one hand, and re-
 25 search and teaching laboratories on the other. The Na-

1 tional Research Council shall make specific recommenda-
 2 tions for statutory and regulatory changes that are needed
 3 to develop such a differential approach.

4 (b) REPORT.—The Secretary of Education shall sub-
 5 mit the list of those regulations that impose the greatest
 6 compliance costs on institutions of higher education and
 7 make recommendations for statutory changes to ease the
 8 compliance burden to the Committee on Health, Edu-
 9 cation, Labor, and Pensions of the Senate and the Com-
 10 mittee on Education and the Workforce of the House of
 11 Representatives.

12 **SEC. 9. ARTICULATION AGREEMENT DEMONSTRATION**
 13 **PROGRAM.**

14 Part G of title IV is amended by inserting after sec-
 15 tion 486 (20 U.S.C. 1093) the following new section:

16 **“SEC. 486A. ARTICULATION AGREEMENT DEMONSTRATION**
 17 **PROGRAM.**

18 “(a) PURPOSE; DEFINITION.—

19 “(1) PURPOSE.—It is the purpose of this sec-
 20 tion to allow demonstration programs that are mon-
 21 itored by the Department of Education to encourage
 22 institutions of higher education to enter into articu-
 23 lation agreements or consortia groups, as a means to
 24 lower tuition prices to students.

1 “(2) DEFINITION.—For the purposes of this
2 section, the term ‘articulation agreement’ means an
3 agreement between institutions of higher education
4 that specifies the acceptability of courses in transfer
5 toward meeting specific degree requirements.

6 “(b) DEMONSTRATION PROGRAMS AUTHORIZED.—

7 “(1) IN GENERAL.—The Secretary is authorized
8 to select institutions of higher education, systems of
9 such institutions, or consortia of such institutions
10 for voluntary participation in an articulation agree-
11 ment demonstration program.

12 “(2) ELIGIBLE APPLICANTS.—

13 “(A) ELIGIBLE INSTITUTIONS.—Except as
14 provided in subparagraphs (B), (C), and (D),
15 only an institution of higher education that is
16 eligible to participate in programs under this
17 title shall be eligible to participate in the articu-
18 lation program authorized under this section.

19 “(B) PROHIBITION.—An institution of
20 higher education described in section
21 102(a)(1)(C) shall not be eligible to participate
22 in the articulation program authorized under
23 this section.

24 “(C) SPECIAL RULE.—Subject to subpara-
25 graph (B), an institution of higher education

1 that meets the requirements of subsection (a) of
2 section 102, other than the requirement of
3 paragraph (3)(A) or (3)(B) of such subsection,
4 and that provides a 2-year or 4-year program of
5 instruction for which the institution awards an
6 associate or baccalaureate degree, shall be eligi-
7 ble to participate in the demonstration program
8 authorized under this section.

9 “(c) APPLICATION.—

10 “(1) IN GENERAL.—Each institution, system,
11 or consortium of institutions desiring to participate
12 in a demonstration program under this section shall
13 submit an application to the Secretary at such time
14 and in such manner as the Secretary may require.

15 “(2) CONTENTS.—Each application shall in-
16 clude—

17 “(A) a description of the institution, sys-
18 tem, or consortium’s consultation with a recog-
19 nized accrediting agency or association with re-
20 spect to quality assurances for the articulation
21 programs to be offered;

22 “(B) a description of the articulation pro-
23 gram to be offered;

24 “(C) a description of the students to whom
25 the articulation programs will be offered;

1 “(D) an assurance that the institution,
2 system, or consortium will offer full cooperation
3 with the ongoing evaluations of the demonstra-
4 tion program provided for in this section; and

5 “(E) such other information as the Sec-
6 retary may require.

7 “(d) SELECTION.—

8 “(1) IN GENERAL.—For the first year of the
9 demonstration program authorized under this sec-
10 tion, the Secretary is authorized to select for partici-
11 pation in the program not more than 100 institu-
12 tions, systems of institutions, or consortia of institu-
13 tions. For the third year of the demonstration pro-
14 gram authorized under this section, the Secretary
15 may select not more than 250 institutions, systems,
16 or consortia, in addition to the institutions, systems,
17 or consortia selected pursuant to the preceding sen-
18 tence, to participate in the demonstration program if
19 the Secretary determines that such expansion is war-
20 ranted based on the evaluations conducted in accord-
21 ance with subsections (f) and (g).

22 “(2) CONSIDERATIONS.—In selecting institu-
23 tions to participate in the articulation program in
24 the first or succeeding years of the program, the
25 Secretary shall take into account—

1 “(A) the number and quality of applica-
2 tions received;

3 “(B) the Department’s capacity to oversee
4 and monitor each institution’s participation;

5 “(C) an applicant’s—

6 “(i) financial responsibility;

7 “(ii) administrative capability; and

8 “(D) the need to ensure the participation
9 of a diverse group of institutions with respect to
10 size, mission, and geographic distribution.

11 “(3) PRIORITY.—In selecting institutions to
12 participate in the articulation program in the first or
13 succeeding years of the program, the Secretary shall
14 give priority to applicants that involve a large num-
15 ber of schools; public and private agreements; inno-
16 vative technology to help reduce costs; and, multi-
17 state projects.

18 “(4) NOTIFICATION.—The Secretary shall make
19 available to the public and to the Committee on
20 Labor and Human Resources of the Senate and the
21 Committee on Education and the Workforce of the
22 House of Representatives a list of institutions, sys-
23 tems or consortia selected to participate in the ar-
24 ticulation program authorized by this section.

25 “(e) EVALUATIONS AND REPORTS.—

1 “(1) EVALUATION.—The Secretary shall evalu-
2 ate the demonstration programs authorized under
3 this section on an annual basis. Such evaluations
4 specifically shall review—

5 “(A) the extent to which the institution,
6 system or consortium has met the goals set
7 forth in its application to the Secretary;

8 “(B) the number and types of institutions
9 participating in the programs offered;

10 “(C) the cost containment strategies pur-
11 sued and the success of such strategies; and

12 “(D) the effective use of technologies to
13 keep college prices low, while maintaining qual-
14 ity.

15 “(2) REPORTS.—

16 “(A) IN GENERAL.—Within 18 months of
17 the initiation of the demonstration program, the
18 Secretary shall report to the Committee on
19 Labor and Human Resources of the Senate and
20 the Committee on Education and the Workforce
21 of the House of Representatives with respect to
22 the evaluations of the demonstration programs
23 authorized under this section.

24 “(B) ADDITIONAL REPORTS.—The Sec-
25 retary shall provide additional reports to the

1 Committee on Labor and Human Resources of
2 the Senate and the Committee on Education
3 and the Workforce of the House of Representa-
4 tives on an annual basis regarding—

5 “(i) the demonstration programs au-
6 thorized under this section; and

7 “(ii) best practices to contain college
8 costs.”.

9 **SEC. 10. ADVISORY COMMITTEE ON STUDENT FINANCIAL**
10 **ASSISTANCE.**

11 Section 491(j) (20 U.S.C. 1098(j)) is amended

12 (1) by striking “and” at the end of paragraph
13 (4);

14 (2) by striking the period at the end of para-
15 graph (5) and inserting “; and”; and

16 (3) by adding at the end the following new
17 paragraph:

18 “(6) convene a task force of experts, to be rep-
19 resentative of the key constituents in higher edu-
20 cation—

21 “(A) to determine the best methods to fi-
22 nance higher education in the long-term;

23 “(B) to help public institutions utilize
24 long-term budgeting to plan for the future;

1 “(C) to review the trends of financing of
2 higher education;

3 “(D) to define the role played by the
4 States, the Federal government, families, and
5 outside entities in financing higher education,
6 and determine the best methods to strengthen
7 this partnership.”.

○